GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4160
ANSWERED ON:19.04.2002
LETTER OF CREDIT THROUGH PNB
SUKDEO PASWAN

Will the Minister of FINANCE be pleased to state:

(a) the number of the private industries/companies located at Indore in Madhya Pradesh which have been provided with the facility of letter of credit and cash credit of more than five crore rupees by Punjab National Bank and State Bank of Indore during the current year;

(b) whether the concerned banks cross check the sale-purchase of the above industries/companies at the time of providing the above facilities;

(c) if so, the details thereof; and

(d) if not, the reasons therefor ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a): Punjab National Bank and State Bank of Indore have reported that they have provided facility of letter of Credit and Cash Credit of more than Rs.5 crores during the current year to 4 and 11 companies respectively.

(b)&(c): Yes, Sir. Both the banks have reported that the sale-purchase of companies are cross checked at the time of providing the facilities through audited balance sheet, profit & loss account and other relevant information.

(d): Does not arise.